

Message Text

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TAGS: ELAB CO

SUBJ: STRIKE IN FINANCE MINISTRY AFFECTING TAX COLLECTIONS,
INTERNATIONAL TRAVEL, AND BUSINESS ACTIVITY

1. A 10-DAY OLD STRIKE BY THE MINISTRY OF FINANCE UNION (INDEPENDENT, NON-EXTREMIST) IS AFFECTING ADVERSELY TAX COLLECTIONS, INTERNATIONAL TRAVEL (BECAUSE OF THE INABILITY OF PROSPECTIVE TRAVELERS TO OBTAIN A CERTIFICATE SHOWING THAT THEY ARE UP-TO-DATE ON TAX PAYMENTS), AND BUSINESS TRANSACTIONS REQUIRING STAMPS OR SEALS. EXTREMIST-LED UNIONS IN SEVERAL OTHER GOVERNMENT CONNECTED ENTITIES, INCLUDING SOME BANKS, ARE ALSO ON STRIKE. IN THESE CASES, SALARY LEVELS SEEMS TO BE THE MAIN ISSUE. THEY HAVE UNSUCCESSFULLY ATTEMPTED TO LINK THEIR STRIKES, AS A SOLIDARITY MOVEMENT, WITH THE FINANCE MINISTRY UNION.
 2. THE GOC HAS PLEDGED TO KEEP 1976 PUBLIC SECTOR SALARY INCREASES TO 15 PERCENT OR LESS AND THE FINANCE MINISTRY UNION WANTS MUCH MORE. HOWEVER, THIS DOES NOT SEEM TO BE THE MAIN ISSUE. RATHER, IT APPEARS TO BE A REACTION TO THE EFFORT BY THE MINISTRY TO REORGANIZE THE PERSONNEL SYSTEM, AND TO INTRODUCE WIDE-SCALE AUTOMATION FOR MANY TASKS HERETOFORE PERFORMED MANUALLY. ALTHOUGH FINANCE MINISTER BOTERO HAS STATED THAT SUPERFLUOUS PERSONNEL WOULD NOT BE FIRED, MINISTRY EMPLOYEES, MANY OF WHOM ARE NOT PROTECTED BY CIVIL SERVICE STATUS, BELIEVE THE MINISTER
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MAY BE TRYING TO FORCE THEM TO RESIGN. MINISTRY EMPLOYEES HAVE

TOLD EMBASSY OFFICER THAT THEY WERE NOT GRANTED THE 20 PERCENT SALARY INCREASE GIVEN TO MOST GOVERNMENT EMPLOYEES LAST YEAR BECAUSE THE MINISTRY CLAIMED THAT THE ORGANIZATION PROGRAM WOULD AFFECT THE SALARY LEVELS ON WHICH THE INCREASE WAS TO BE BASED. THEY CLAIM THAT LATE LAST YEAR THE REORGANIZATION PLACED TECHNICAL EMPLOYEES AT A HIGH SCALE AND THAT THEY WERE GIVEN THE 1975 INCREASE. MOST EMPLOYEES, HOWEVER, WERE LEFT IN A BROADER NON-TECHNICAL CATEGORY, AND WERE NOT GIVEN THE INCREASE, ALLEGEDLY BECAUSE THE MINISTRY'S BUDGET WAS NOT SUFFICIENT. THEY BELIEVE, HOWEVER, THAT THIS WAS ONLY A PLOY TO ENCOURAGE MANY TO RESIGN. THUS, THE STRIKE.

3. COMMENT: THE FINANCE MINISTRY CONFLICT REPRESENTS ANOTHER ASPECT OF THE LOPEZ ADMINISTRATION'S BATTLE WITH THE BUREAUCRACY. THE LONG-WAITED REORGANIZATION OF THE BUREAUCRACY IS NOW JUST GETTING UNDER WAY, ALTHOUGHT THE PLAN WAS DRAWN UP UNDER EX-PRESIDENT PASTRANA IN 1973. JOB SECURITY FOR MANY EMPLOYEES IN THE BUREAUCRACY IS A REAL ISSUE AS THE CIVIL SERVICE SYSTEM COVERS ONLY ABOUT 10 PERCENT OF GOVERNMENT EMPLOYEES. MOST EMPLOYEES LONG AGO OPTED TO RELY FOR JOB SECURITY ON THEIR POLITICAL CONNECTIONS. LOPEZ, IN HIS EFFORTS TO REFORM AND RATIONALIZE THE BUREAUCRACY, SEEMS TO BE RUNNING UP AGAINST A TIME-HONORED TRADITION WHICH WILL NOT DIE EASILY IN COLOMBIA.

4. BECAUSE OF THE STRIKE, REVENUE COLLECTIONS NEARLY HAVE COME TO A HALT. SHOULD THE STRIKE CONTINUE EITHER THE GOVERNMENT WILL HAVE TO STOP PAYING ITS BILLS OR FIND FINANCING. THE METHODS OF FINANCING (AND NON PAYMENT OF BILLS IS A METHOD OF FINANCING) WILL DETERMINE THE INFLATIONARY IMPACT OF THE STRIKE. ALMOST ALL METHODS OF FINANCING WILL HAVE SOME ADVERSE INFLATIONARY IMPLICATIONS AT THIS TIME, SO THE STRIKERS HAVE CONSIDERABLE CLOUT. VAKY

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